BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of a Working Case to Draft a Rule to Modify Commission Rules Regarding Renewable Energy Standard Requirements and Net Metering Standards	))))	File No. EW-2014-0092

REPLY COMMENTS OF AMEREN MISSOURI

COMES NOW Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri) and for its reply comments to the proposed revisions to sections (5) and (6) of 4 CSR 240-20.100, states as follows:

As Staff requested, Ameren Missouri is limiting its comments to the proposed changes to sections (5) and (6) of 4 CSR 240-20.100. That should not be interpreted as Ameren Missouri agreeing with changes to other portions of 4 CSR 240-20.100 or to 4 CSR - 4 CSR 240-20.065.

A. Renew Missouri

1. Proposed revision in paragraph 16 of their pleading – this revision suggests retaining the language where the RRI is calculated on an incremental basis. Ameren Missouri agrees, conceptually, that the calculation should be done each year but believes that the specific language proposed by Renew Missouri could be simplified.

2. Proposed revision in paragraph 17 – again, seeks to preserve the use of the word "incremental." Ameren Missouri agrees with the concept.

3. Proposed revision in paragraph 18 – Renew Missouri seeks to replace all instances of the phrase "renewable energy resource" with "renewable electricity." The statute itself uses the phrase "renewable energy resources" and the insertion of a new term, which presumably is intended to have the same meaning as the language in the statute, seems

unnecessary and potentially confusing. Ameren Missouri recommends not adopting this change. (Note – this change is made throughout the rule and within the definition section as well.)

4. Proposed revision in paragraph 19 - seeks to add an enumerated list of appropriate avoided costs. Ameren Missouri does not oppose the specific, enumerated avoided costs that are included in Renew Missouri's proposed language. However, any list of appropriate avoided costs should be limited to costs which are included in utility revenue requirements and should not include externalities. Renew Missouri also suggests the inclusion of language which is similar to that included in the Company's Stipulation and Agreement from File No. EO-2014-0085. Ameren Missouri supports the inclusion of that language.

B. MOSEIA

5. Mr. Karl Rabago filed comments on behalf of MOSEIA, however, his comments went well beyond changes necessary to reflect HB142 statutory amendments. His comments begin by providing a list of principals to be considered, almost as the rule was being created rather than being modified. Of course, a rulemaking has already occurred and many of the overarching themes were addressed as the Commission believed was appropriate. While Ameren Missouri will not comment on all of his recommendations, in general, they would require the Commission to adopt an entirely new approach, both to the RES and to the standard cost of service regulation that the Commission exercises. Generically, Mr. Rabago's suggested changes run so counter to the language of the statute that to adopt them would be to modify the meaning of the existing statute. That is not the purpose of a rulemaking and his suggestions should be rejected.

6. Specifically, Ameren Missouri takes issue with Mr. Rabago's assertion that HB 142 requires additional rebates to be paid until June 30, 2020. The statute allows for rebates

until that date but rebates are subject to the 1% rate limitation, which may mean they are not paid out for that length of time. Indeed, the settlement agreements entered into in Ameren Missouri's solar rebate case (File No. EO-2014-0085) and in the KCPL and KCPL-GMO cases (File Nos. ET-2014-0059 and ET-2014-0071) demonstrate that all signatories understood that there would be a limit on rebate payments, set at the pool of money that was established in each case. That pool of money was set in a manner that allowed the utility, over ten years, to not violate the 1% limitation. MOSIEA was a party to both of those cases and was a signatory to each of the settlement agreements in those cases.

7. Mr. Rabago also recommends that the cost of rebates be amortized over 30 years. His goal, of course, is to significantly increase the amount of solar rebates that could be paid under the 1% limitation. His recommendation, however, confuses the 1% limitation with how costs are actually recovered. Meaning it ignores the fact that rebates are essentially an expense to the utility. The utility gains no ownership interest in the solar panels. Accordingly, the cost incurred each year is the cost that counts against the 1% cap. The current method of treating solar rebates as an expense is appropriate and should be continued.

8. Ameren Missouri also believes that some of Mr. Rabago's suggested changes would result in the rebate dollars not being included in the rate limitation. That, of course, is counter to the language of the statute. Ameren Missouri cannot comply with the RES without paying rebates, so those costs must be a cost of complying with the RES. This recommendation would modify the law to read that compliance with the portfolio requirements are the only costs subject to the 1% limitation. Modification of the law cannot occur via a rulemaking and Ameren Missouri is confident that Staff does not wish to start down that path.

9. Mr. Rabago also suggests the Commission's rules set forth a priority of what resources are reduced first, should the utility find itself in a situation where it's spend is above the 1% limitation. Of course, because he is representing solar installers, the last expenditure that he would reduce is solar rebates. This presumes there is some preference for rebates over a wind purchase power agreement, for example. The statute does not express a preference and, without a basis in law, a preference cannot be created in a rulemaking.

C. Wind on the Wires

10. While Wind on the Wires doesn't appear to support the five year look forward and five year look back, there appear to be some misconceptions about that the current rules which lead them to propose an overly complicated solution. Ameren Missouri continues to believe a simple carry-forward for any "over spend" will resolve the issue and make a complete overhaul of section (5) unnecessary.

11. Wind on the Wires suggests moving sections (2)(E) and (2)(F) into section (5). Ameren Missouri believes they are a better fit in the section where they currently reside. While these sections reference the 1% limitation, they are not part of the calculation of the limitation and do not need to be in that section.

WHEREFORE, Ameren Missouri submits its comments for Staff's consideration as they draft proposed modifications to the existing Renewable Energy Standard regulations.

Respectfully Submitted,

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